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Statement

U.S. Department of Agriculture • Office of Information

Statement by Peter C. Myers, Deputy Secretary, United States Department of Agriculture, Before the Subcommittee on Department Operations, Research, and Foreign Agriculture, Committee on Agriculture, House of Representatives May 24.

Mr. Chairman, I am pleased to have this opportunity to again appear before you and the Members of this Subcommittee to discuss the activities of the agencies of the U.S. Department of Agriculture that relate to improvements in our Nation's water quality.

I have with me today the Deputy Assistant Secretary for Science and Education, Robert W. Long. Mr. Long appeared before you last July to provide you with information regarding our water quality activities. Since that time he has been deeply involved in the development of the USDA's Working Group on Agricultural Chemicals and the Environment. I will detail the functions of this group later in my statement.

Much has transpired at USDA with regard to the water quality issue since last July. One of the major developments has been the issuance on November 9, 1987 of a Departmental Regulation, "USDA Policy for Ground Water Quality." A copy of this regulation is being provided for the record. The purpose of this document is to confirm that it is the established policy of USDA to improve the management, coordination, and effectiveness of USDA assistance to farmers, ranchers, foresters, state and local government agencies, and other water users in rural areas. In implementing this policy, USDA will support the prudent and careful management of nutrients and other agricultural chemicals in agriculture and silviculture with the objective of avoiding future ground water contamination. The one common thread which seems to run through this issue is that of the relationship of agricultural chemicals and fertilizers to ground water quality. We fully realize that other federal and state agencies are concerned with water quality. To that end, our policy is to coordinate our activities with these agencies, and the private sector to help ensure that they adequately consider the needs of agriculture and silviculture land users to use nutrients and pesticides correctly to maintain productivity of soil, water, plant, and animal resources.

We view this policy statement as the foundation for the water quality activities of our agencies. As evidenced by our testimony last July, several agencies of USDA are involved in water quality activities.

Following your hearings last year, I asked Mr. Long to form an ad hoc committee comprised of key USDA personnel involved with water quality and environmental issues for the purpose of reviewing USDA's activities in these areas. This group quickly brought into focus a number of potential problem areas, such as the need for increased coordination of intra-departmental activities, the need for improving communications with other federal and state agencies, and the need for development of a comprehensive strategy.

Three existing committees of the secretary's Policy and Coordination Council have roles in various elements of water and environmental issues: the committees on Natural Resources and the Environment, Administration, and Research and Education. These three committees, each chaired by an assistant secretary, recommended to Secretary Lyng on January 28 that a Working Group on Agricultural Chemicals and the Environment be created. The secretary concurred with the recommendation. I have submitted copies for the record of the documents which created this working group.

The working group commenced operations in early February, and the initial phase of its activities will be completed within the next few weeks. The purpose of the working group is to:

- review the policies of USDA to agricultural chemicals and the environment and report on the implementation, effectiveness, appropriateness, and completeness of such policies;
- develop and recommend appropriate strategies as guidelines for carrying out established, amended, or new policies relating to agricultural chemicals and the environment and;
- serve as a clearinghouse for departmental activities involving agricultural chemicals and the environment.

I am also submitting for the record a copy of a memorandum which I received from the chairman of the working group, James Spitz, which outlines the current status of activities of the group.

I believe that this effort will result in an improvement in our ability to maintain and enhance water quality, as well as to assist farmers, ranchers, foresters, and landowners in addressing the other environmental issues we face.

I would turn for just a moment to a closely-related issue, sustainable or

low-input agriculture. On January 19, the secretary issued a policy statement which declared that it is the policy of the department to encourage research and education programs that provide farmers with a wide choice of cost-effective farming systems, including systems that minimize or optimize the use of purchased inputs and that minimize environmental hazards.

Congress has provided $3.9 million in the current fiscal year to the Cooperative State Research Service (CSRS) for low-input agricultural activities. There is a dual thrust in low-input agriculture—to improve farm income and to reduce chemical applications, which decreases the potential for adverse environmental impacts. We are working with USDA agencies, universities, and the private sector to fully implement this program.

Mr. Chairman, last year Mr. Long told you that agriculture is a part of the ground water problem, and therefore agriculture must be part of the solution. To that end, we have continued to strengthen our relationships with the other federal agencies which have responsibilities in this area. Within the past year, agencies of USDA have intensified their focus on water quality. Without going into the operational level details of our agencies, I would share with you some of the activities which have taken place in recent months.

First, the Agricultural Research Service (ARS) has adopted two new strategic ground water plans, one for pesticides, the other for nitrates. Copies of these plans are being submitted for the record. Perhaps the best description of the ARS ground water plans is contained in the foreward to the pesticide plan, which reads in part:

"The Agricultural Research Service has a longstanding and deep commitment to protecting our nation's ground water resources. A large portion of our rural population relies on ground water as the primary source of their drinking water. They also depend on agricultural chemicals to protect and nurture their crops and animals. This research plan recognizes the important role chemicals play in modern agriculture and provides a balanced approach that allows continued use of these valuable production aids in a manner that minimizes their movement into ground water. . . .

"The plan addresses six specific areas of research: Conservation tillage practices, computer models to help select the best management farm practices, integrated pest management systems compatible with best management farm practices, improved pesticide application technology,

water/pesticide management practices for irrigated or poorly drained cropland, and new technologies for pesticide analysis and decontamination. The strategic plan for nitrates recognizes the important role nitrogen fertilizers play in modern agriculture and provides a balanced approach that allows their continued use in crop production in a manner that minimizes the movement of nitrogen into ground water.

The six priority areas of nitrate research are: Improving estimates of nitrogen requirements for optimum crop production, effects of nitrogen transformations on crop nitrogen requirements and nitrogen leaching, management of nitrogen fertilizer and soil amendments, minimizing the impact of nitrate leaching from the crop root zone, computer models to help select best management farm practices, and emerging technologies.

The Soil Conservation Service (SCS) recognizes the importance of providing technical assistance to agricultural producers in the area of both surface and ground water quality. The proposed 1988 National Conservation Program elevates water quality to one of its top priorities.

SCS has many activities underway that will significantly improve water quality. First are the present activities to implement the conservation provisions of the Food Security Act of 1985. The Conservation Reserve Program (CRP), along with present and future implementation of the conservation plans prepared in response to the conservation compliance provision, will significantly reduce sediment from cropland that previously entered the Nation's streams and rivers. It has been estimated that sediment pollution from cropland can be reduced as much as 30 to 40 per cent annually by these provisions. Also, the effect of water quality of other pollutants such as nutrients and pesticides that are attached to the sediment particles, will be reduced as sediment levels are lowered. In addition, using the CRP to retire 40-45 million acres of cropland from production will reduce the amount of pesticides and nutrients applied by the agricultural sector.

SCS is assisting other federal and state agencies improve water quality. For example, the Great Lakes States are working with SCS in the program to lower the amount of phosphorous going into the lakes. SCS also provides technical assistance to landowners as a part of USDA efforts in the Colorado River Salinity Control Region and the Chesapeake Bay cleanup program.

SCS provides technical assistance to dairies, poultry, and swine operations and other livestock operations in the design and management of animal waste systems. One example of this would be the SCS staff in

Florida which is providing accelerated technical assistance to 44 dairy operations in the Lake Okeechobee area in order to reduce eutrophication problems currently being experienced in the lake. I might also point out that we are working with the Food and Drug Administration (FDA) in Florida to obtain approval for dairy farmers to recycle partially treated waste waters for pre-washing cows before milking, thus reducing ground water pollution.

A few moments ago I mentioned the cooperation of USDA and EPA. As an example of that type of cooperation, it is worth noting that SCS is placing a liaison person in each EPA regional office to assist in the development and review of State Water Quality Plans.

While SCS provides on-site technical assistance, the Extension Service is deeply involved at the State level in educational activities related to water quality. The Cooperative Extension Service (CES) of the various states report that they now have 420 staff people devoted to this area. This includes existing Extension programs in pesticide application training, integrated pest management, soil fertility management, and related programs. While there are many examples of State programs which can be referenced, I would like to cite the following:

- In Iowa, the CES has been directly involved in programs to reduce ground water contamination in the Big Springs Watershed, and has published numerous fact sheets on water quality.

- The Florida CES has developed an interactive computer program, and has conducted numerous county meetings to acquaint pesticide users with how soil- applied chemicals may be leached into the ground water.

- In California, the Extension Water Task Force has conducted programs to develop an understanding of water issues among widely disparate and traditionally opposing organizations.

- The North Carolina Extension Service has developed a national water quality evaluation program which serves as a major information/analyses source on water quality programs.

- In Massachusetts, Extension water quality programs have focused on the education of local government officials. Topics include septic system management, water rate structures, and hazardous materials.

We are often asked the question as to what role should the federal government play in addressing this issue. As I review my statement with regard to the activities of USDA, it becomes clear that the Federal role must be to assist the individual States, not to administer a national water quality program. The Federal dollars which support the activities I have

described today are, in large measure, being channeled to benefit the State programs. One of the other items I am submitting for the record is an overview of the federal ARS research program. You will note that ARS is currently spending $9.8 million at 25 locations in 18 states.

USDA's Cooperative State Research Service is currently spending $5.5 million for research relevant to ground water quality at our nation's land grant institutions. Funds are used for basic data gathering on selected chemicals with emphasis on agriculture's current and potential impact on soil and ground water degradation. Examples of work under way at the land grants include efficiency is use and residual effects of pesticides and fertilizer nutrients in soils and water, irrigation efficiency, and affects of soils and crop management on the need for applied chemicals and what happens to them in soils and water.

CSRS has initiated actions for a national workshop on procedures to evaluate ground water quality, including the collection, handling, and analysis of samples, and date interpretation for effective recommendations. Plans for the October 1988 workshop are under the leadership of the University of Nebraska Intitute of Agriculture and CSRS, with the cooperation of ARS, the U.S. Geological Survey, and EPA. I would be remiss in my testimony if I failed to mention the fact that other USDA agencies such as the Forest Service, the National Agricultural Library, and the Economic Research Service are continuing their respective programs in support of water quality activities.

We appreciate the opportunity to appear before you today, and we welcome any questions you might have.

News Releases

U.S. Department of Agriculture • Office of Information

USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON

WASHINGTON, May 19—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, May 20, through 12:00 midnight Thursday, May 26.

Since the AWP is above the 1987-crop base quality loan rate of 52.25 cents per pound, the loan repayment rate for 1987-crop upland cotton during this period is equal to the loan rate for the specific quality and location.

The AWP will be used to determine the value of upland cotton that is obtained in exchange for commodity certificates. However, no coarse count adjustment will be applicable during the period because the adjustment is less than 1.00 cent per pound.

Based on data for the week ending May 19, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Adjusted World Price		
Northern Europe Price		66.02
Adjustments:		
Average U.S. spot market location	9.52	
SLM 1-1/16 inch cotton	2.00	
Average U.S. location	0.44	
Sum of Adjustments		-11.96
ADJUSTED WORLD PRICE		54.06 cents/lb.
Coarse Count Adjustment		
Northern Europe Price		66.02
Northern Europe Coarse Count Price		-59.90
		6.12
Adjustment to SLM 1-inch cotton		-6.25
		-0.13
COARSE COUNT ADJUSTMENT		0 cents/lb.

The next AWP and coarse count adjustment announcement will be made on May 26.

Charles Cunningham (202) 447-7954

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DIETARY GUIDELINES GO TO THE CLASSROOM

WASHINGTON, May 20—A new teaching kit produced by the U.S. Department of Agriculture can help junior and senior high school home economics instructors teach their students about the importance of a balanced diet and how to put the principles of good nutrition into everyday practice.

Developed by USDA's Human Nutrition Information Service, the Dietary Guidelines Teaching Kit contains a pamphlet describing the official federal Dietary Guidelines for Americans, a set of seven bulletins (Dietary Guidelines and Your Diet) to help consumers use the Dietary Guidelines, and a new publication, the Home Economics Teacher's Guide, which adapts the information for classroom use.

The Dietary Guidelines are issued jointly by USDA and the U.S. Department of Health and Human Services to inform Americans about important nutritional concepts and the components of a healthful diet.

According to HNIS Administrator Laura S. Sims, Ph.D., "The lessons and activities in the Teacher's Guide were designed to enhance students' critical thinking and problem-solving ability about nutritional concepts. The Kit goes far beyond the food-group approach in helping teach students to use the Dietary Guidelines as a tool for making food choices throughout life."

Sims said the Teacher's Guide draws on information from the other bulletins in the Kit to provide lesson plans that include imaginative hands-on activities.

In the opening lesson, for example, students are divided into committees and asked to establish their own dietary recommendations to help Americans maintain and perhaps improve their health. A follow-up class discussion compares the students' recommendations with the official federal Dietary Guidelines. In other lessons, students are asked to:

—respond to mock letters from consumers who need advice on food problems related to weight control;

—enter a recipe contest to create a great-looking, tasty pizza that is lower in fat;

—advise a summer camp cook on how to add starch and fiber to a camp menu that kids will like;

—explore ways to say "No!" to alcoholic beverages by using cartoon case studies; and

—develop a creative restaurant menu that takes into account the principles of good nutrition.

The Home Economics Teacher's Guide was developed with the assistance of a teacher advisory panel composed of home economics teachers and supervisors recommended by the American Home Economics Association and the Home Economics Education Association.

Single copies of the Dietary Guidelines Teaching Kit are available free while supplies last only to home economics teachers requesting a copy on school letterhead stationery. Send requests to: TEACHING KIT, P.O. Box 90723, Washington, D.C. 20090-0723. The Teacher's Guide is available only as a component of the Teaching Kit.

The other bulletins included in the Kit are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20250. The seven bulletins, Dietary Guidelines and Your Diet, cost $4.50 a set. Black and white copies of the Dietary Guidelines for Americans pamphlet are available only in lots of 100 for $39.00.

For the full color Dietary Guidelines pamphlet, send 50 cents for each copy ordered (single and bulk requests) to Dietary Guidelines, Consumer Information Center, Pueblo, Colo. 81009.

Johna Pierce (301) 436-8617

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USDA PROPOSES REVISIONS IN GRAIN-SCALE REGULATIONS

WASHINGTON, May 20—The U.S. Department of Agriculture is proposing to incorporate the applicable requirements for grain-weighing equipment as described in the National Bureau of Standards 1988 Handbook 44 into USDA grain-inspection regulations.

USDA regulations currently contain, by reference, applicable requirements from the 1985 edition of the handbook. The proposal would

update those regulations by changing the reference to the current handbook.

W. Kirk Miller, administrator of USDA's Federal Grain Inspection Service, said the proposed changes are part of the agency's continuing review and update of its regulations to ensure they serve their intended purposes and are consistent with FGIS policy and authority.

FGIS invites public comments on the proposal. Comments must be submitted no later than July 18 to Lewis Lebakken Jr., USDA-FGIS, Room 0632-South, P.O. Box 96454, Washington, D.C. 20090-6454; telephone (202) 475-3428.

Allen Atwood (202) 475-3367

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NEW SEED DRILL SAVES SOIL

WASHINGTON, May 24—A new seed planter for wheat and other cereal grains leaves thick layers of straw and other residues in place to protect soil from washing away, a U.S. Department of Agriculture researcher reports.

Keith E. Saxton of USDA's Agricultural Research Service said the problem with present no-till planters is that they "bury 30 to 50 percent of these crop residues and disturb the soil considerably."

He said the new planter, called a cross-slot drill opener, buries no more than 10 percent of the residues. A row of 22-inch, serrated disks, or coulters, cuts through surface residues and penetrates the soil to deposit seed and fertilizer. A wheel on each side of the disk packs the soil together.

"Planters can be equipped with eight to 36 openers, depending on local conditions and farmers' needs," said Saxton, an agricultural engineer at the agency's Land Management and Water Conservation Laboratory in Pullman, Wash.—the heart of the Palouse wheat-growing country. The drill is smaller and weighs less, he added, than no-till drills currently available.

A commercial version could be available this fall, said Greg Schmick, part owner of United Ag Systems, a small manufacturing firm near Colfax, Wash.

Saxton and colleagues at Pullman have worked the last two years making adjustments and changes to adapt the planter to needs of

American grain farmers. It was originally developed in New Zealand.

He said more water is trapped in the seed zone because the drill disturbs so little soil and residue. That minimizes evaporation and promotes seed germination. Seed and fertilizer are deposited more accurately through residues than by current machines, he added.

Schmick, the small firm owner, said he believes the drill could be competitively priced. He has planted 2,000 acres with a field-scale prototype he built based on Saxton's model.

"This new planter has produced some of the best stands of wheat I've ever seen, and I've looked at about 1-1/2 million acres of no-till seeded fields in North America and Europe," Schmick said.

Howard Sherman (415) 559-6069

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USDA ANNOUNCES 1988-CROP WHEAT, BARLEY, OATS AND RYE LOAN AND PURCHASE RATES

WASHINGTON, May 23—The U.S. Department of Agriculture today announced county loan and purchase rates for the 1988 crops of wheat, barley, oats and rye.

The 1988 crop county price support rates were determined in accordance with the Agricultural Act of 1949, as amended, and reflect changes in the national average price support rates. Some county rates were adjusted to reflect location and transportation costs and other factors. These adjustments were limited to a two percent change in addition to the change in the national average price support rate from the 1987 crop.

Copies of the wheat, barley, oats and rye county rate schedules are available from the Cotton, Grain and Rice Price Support Division, USDA-ASCS, P.O. Box 2415, Washington, D.C. 20013.

Bruce Merkle (202) 447-6787.

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FmHA PROPOSES RULES TO ASSIST DELINQUENT BORROWERS

WASHINGTON, May 23—New rules that could assist thousands of farmers behind on their loans with the U.S. Department of Agriculture's Farmers Home Administration were proposed today by the USDA credit agency.

The rules, governing portions of the Agricultural Credit Act passed by Congress last December, would allow FmHA to reduce the delinquent debt of certain borrowers so they could continue their farming operations, according to Vance L. Clark, FmHA administrator.

The proposed regulations also would make it easier for some farmers who have recently lost their farms through foreclosure or by other means to lease or buy them back. Under the new rules, former owner/borrowers and their families would have first right of refusal to reclaim their farms under certain conditions.

Clark said the new law was designed to help farmers who got into financial trouble through no fault of their own. "We will implement this program with strict regard to the spirit, as well as the letter, of the law" he said. Clark invited the public to review the proposed rules and submit comments. "These are preliminary," he said, "with a 30-day comment period. The final rules won't be issued until all comments are considered."

The proposed regulations would allow FmHA to reduce a farmer's delinquent debt to the recovery value of the collateral, typically land or farm equipment, if it would help the farmer qualify for a restructured loan, and if repayment on the loan would be at least as much as could be expected from foreclosure.

The regulatory impact statement issued with the proposed rules estimates that as much as $2.1 billion in overdue loans could be written down under this provision. The statement also predicts that, in addition to the 16,200 borrowers who will benefit directly from the new write-down regulations, another 37,000 delinquent borrowers will qualify for normal FmHA servicing actions. Approximately 118,000 FmHA farm program borrowers are currently behind on their payments.

Among related actions, FmHA has proposed regulations to establish a new administrative appeals unit distinct from the agency's program divisions to handle borrower grievances. The agency also has recently adopted final rules permitting FmHA borrowers to serve on FmHA

county committees, and allowing FmHA to participate in farmer mediation programs in states that have programs certified by FmHA.

In addition, FmHA has proposed regulations that would set aside funds to help members of minority and socially disadvantaged groups purchase farmland. The agency is developing a minority outreach program to inform minority groups of such benefits.

Written comments on the proposed regulations may be submitted to the Office of the Chief, Directives Management Branch, Farmers Home Administration, Room 6348-South, U.S. Department of Agriculture, Washington, D.C. 20250.

Ron Ence (202) 447-6903

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1988 CROP HIGH MOISTURE CORN AND SORGHUM ELIGIBLE FOR CCC LOANS

WASHINGTON, May 23—The U.S. Department of Agriculture announced today that high moisture corn and sorghum from the 1988 crop will be eligible, as was the 1987 crop, for price support loans from USDA's Commodity Credit Corporation.

For these high moisture commodities to be eligible to be pledged as collateral, they must not be rolled, ground, crushed or otherwise processed and must consist of 50 percent or more whole kernels. The moisture level must be equal to or greater than 15.5 percent for corn and 14 percent for sorghum.

Producers must immediately exchange commodity certificates or substitute free stocks of the same commodity for the commodity that had been pledged as loan collateral.

Producers who dispose of their high moisture commodities through cattle feed lots may obtain loans based on the quantity and quality of the commodities as indicated on the scale tickets and quality documentation issued by the feed lot.

Producers who store their high moisture commodity on the farm for their own use, may obtain loans based on their certification of quantity and quality of the commodities pledged as collateral or upon a scale ticket from an acceptable scale signed by an approved weighman. On-farm scales operated by the producer are not considered acceptable for this purpose.

Producers who obtain loans based on scale tickets must certify that the commodity was eligible for the loan on the date the commodity was weighed. Other producers obtaining loans on high moisture grain must certify the quantity and quality of the grain and that it was eligible to be pledged as collateral at the time of the loan request.

These loans will be offered through December 31.

Robert Feist (202) 447-6787

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CONSERVATION RESERVE PROGRAM TOPS 25 MILLION ACRES

WASHINGTON, May 23—The U.S. Department of Agriculture has accepted an additional 3,375,367 acres into the 10-year Conservation Reserve Program, Milton Hertz, administrator of USDA's Agricultural Stabilization and Conservation Service, announced today.

The acreage was accepted from bids submitted on 4,507,170 acres during the sixth program signup Feb. 1-19 and brings the total acreage under CRP contracts to 25,525,389 acres.

Annual rental payments called for in the bids accepted for this signup average $47.90 per acre. The average for the first five signups was $48.45.

Hertz noted some changes applicable for the sixth signup. "Cropland areas 66-99 feet wide, next to streams, lakes, estuaries and other permanent bodies of water which are suitable for use as filter strips were eligible for CRP enrollment for the sixth signup even though the strip itself does not meet CRP soil erodibility criteria," he said. There were filter strips on 1,490 of the approved contracts.

A vegetative cover, which can include trees, must be established on CRP acreage for a minimum of 10 years. Of 500,000 acres submmited for tree planting, 396,593 acres were accepted.

In addition to annual rental payments, CRP participants also receive up to 50 percent of the cost of establishing the vegetative cover.

The seventh signup will be held July 18 through Aug. 5 and will include bids for CRP contracts that will begin in the 1988 and 1989 crop years.

The following table lists detailed state-by-state information:

	TOTAL CON-TRACTED ACRES	SIXTH SIGNUP CON-TRACTED ACRES	SIXTH SIGNUP TREE ACRES	SIXTH SIGNUP BASE REDUCTION
US.....	25,525,389	3,375,367	396,593	2,105,356
AL	435,163	73,132	44,390	29,560
AK	24,374	0	0	0
AZ	0	0	0	0
AR	155,673	34,599	21,021	18,957
CA	157,573	6,925	113	2,981
CO	1,674,322	82,562	0	47,794
CT	0	0	0	0
DE	452	297	116	167
FL.....	92,358	25,039	22,818	9,131
GA	511,737	176,453	165,212	93,469
HI	85	0	0	0
ID	668,250	49,744	23	28,018
IL	395,953	65,095	2,736	34,962
IN	215,548	32,075	1,343	15,905
IA	1,494,625	107,515	1,284	60,210
KS.....	2,227,708	316,480	494	232,899
KY	358,924	34,559	153	18,037
LA	78,512	20,561	12,325	10,055
ME	27,152	6,565	469	1,209
MD	7,091	3,410	389	1,363
MA	25	0	0	0
MI.....	128,662	28,890	2,606	14,712
MN	1,530,997	128,128	5,312	76,584
MS	543,322	69,904	40,766	25,430
MO	1,303,269	147,650	1,610	69,311
MT	1,982,517	280,376	0	184,938
NE	1,057,945	128,468	200	83,206
NV	1,448	1,448	0	734
NH	0	0	0	0
NJ	364	42	0	11
NM	459,054	4,243	0	1,991
NY	40,317	6,139	295	2,168

NC	104,374	23,502	15,942	9,878
ND	1,761,762	463,679	203	313,751
OH	148,767	19,898	1,581	8,945
OK	943,169	88,709	259	70,904
OR	489,443	19,134	82	10,699
PA.....	58,633	13,628	535	5,193
PR.....	240	0	0	0
RI	0	0	0	0
SC.....	206,472	44,048	35,637	20,773
SD.....	993,058	246,065	53	170,679
TN	349,464	46,768	2,891	20,593
TX	3,157,612	410,469	1,036	326,932
UT	218,574	9,444	0	4,082
VT	184	0	0	0
VA	49,683	13,362	5,308	5,726
WA.....	842,603	52,081	304	32,276
WV.....	498	110	0	24
WI.....	412,882	80,373	9,087	35,099
WY.....	214,551	13,798	0	6,000

Bruce Merkle (202) 447-6787

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USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, May 24—Acting Under Secretary of Agriculture Thomas O. Kay today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

—long grain whole kernels, 10.58 cents per pound;

—medium grain whole kernels, 9.72 cents per pound;

—short grain whole kernels, 9.62 cents per pound;

—broken kernels, 5.29 cents per pound.

Loan repayment rates for 1987-crop warehouse or farm-stored rice loans are the higher of the world prices or 50 percent of the loan rates.

Based upon these prevailing world market prices for milled rice, the estimated average world prices for 1987 crop rough rice are:

—long grain, $6.37 per hundredweight;

—medium grain, $6.05 per hundredweight;

—short grain, $5.86 per hundredweight.

The prices announced are effective today at 3 p.m. EDT. The next scheduled price announcement will be made May 31, 1988 at 3 p.m. EDT, although prices may be announced sooner if warranted.

Gene Rosera (202) 447-5954

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USDA ANNOUNCES 1989 WHEAT PROGRAM PROVISIONS

WASHINGTON, May 25—Deputy Secretary of Agriculture Peter C. Myers today announced a required 10 percent acreage reduction and other provisions of the 1989 wheat program.

Other provisions of the 1989 wheat program include:

—A price support loan and purchase rate of $2.06 per bushel, a 20 percent reduction from the basic loan and purchase rate of $2.57. Myers said the downward adjustment was determined necessary to maintain U.S. wheat competitiveness in domestic and international markets.

This is the statutory minimum and seven percent below the 1988 loan and purchase rate of $2.21 per bushel.

—The established target price is $4.10 per bushel, the statutory minimum, and down three percent from the 1988 target price.

—A paid land diversion will not be implemented.

—No marketing loan or related program provisions will be implemented.

—Producers will be required to maintain in acreage conservation reserve an area equal to 11.11 percent of program payment acreage.

The secretary of agriculture reserves the right to initiate later cost reduction options as outlined in Section 1009 of the Food Security Act of 1985. These options may include reopening or changing a program contract entered into by producers if they voluntarily agree to the change.

Other provisions common to program crops will be announced at a later date.

Bruce Merkle (202) 447-6787

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